

Coventry City Council
Minutes of the Meeting of Business, Economy and Enterprise Scrutiny Board (3)
held at 2.00 pm on Wednesday, 5 February 2020

Present:

Members: Councillor J McNicholas (Chair)
Councillor M Heaven
Councillor T Jandu
Councillor R Lancaster
Councillor A Lucas
Councillor P Male
Councillor E Ruane
Councillor B Singh

Other Members: Councillor J O'Boyle (Cabinet Member for Jobs and
Regeneration)

Employees (by Directorate):

Place P Deas, G Holmes, N Parek, M Salmon, P Singh, S Weir

Apologies: Councillor C Miks

Public Business

33. Declarations of Interest

There were no declarations of interest.

34. Minutes

The minutes of the meeting held on 18th December 2019 were agreed and signed as a true record.

Further to minute 28/19 headed 'Trees and Development Guidelines Supplementary Planning Document', in respect of recommendation 3.1) that requested that the Cabinet Member give consideration to the responsibility for forestry matters being co-ordinated by one Cabinet Member given the Council's declaration of a Climate Emergency, Councillor G Duggins informed the Board that the current portfolio arrangements had been endorsed by Council at their Annual General Meeting in May 2019 and if he were re-elected as the Leader of the Council for 2020/2021, he would review all Cabinet Member portfolios.

35. Support for Small Businesses

The Business, Economy and Enterprise Scrutiny Board (3) received a briefing note and presentation of the Deputy Chief Executive (Place) detailing the support the Council provides to Small and Medium-Sized Enterprises (SMEs), the role of the Coventry and Warwickshire Chamber of Commerce and Coventry and Warwickshire Local Enterprise Partnership (CWLEP). In addition, it provided an

update on how the business support service had progressed since the previous year, including how under-represented groups accessed the various business support initiatives. Councillor J O'Boyle, Cabinet Member for Jobs and Regeneration, attended the meeting for consideration of this item.

There were many opportunities in emerging markets such as Asia and the Middle East, in addition to opportunities following Brexit. However, SMEs were restricted by the lack of capacity, time and resources to invest in exporting. The Briefing Note provided information on how the Council can support SME's to make the most of these opportunities.

Coventry's SME business community played an integral role in the local economy, both in terms of wealth creation and for the number of people employed. There were nearly 10,000 SMEs in Coventry, creating significant employment opportunities and contributing to local business rates. It was therefore vital that SMEs were given the best chance of succeeding through the support available from the Council and Partner organisations such as the CWLEP and the Chamber of Commerce.

The level of support offered depended on the need of businesses and could involve advice on access to grants/loans, new start-up support, skills support or lobbying government to develop policy or access funding. The Council had entered into a Service Level Agreement with the Growth Hub which would engage with 300 new business per year, complete 120 comprehensive business assists and help them to create almost 400 new jobs. Their initial diagnostic on a business helped to filter the appropriate business support to Partner organisations such as the Council, Universities, Chamber, Princes Trust, etc.

Through the Economic Development Service (EDS)-managed Coventry & Warwickshire Skills 4 Growth Programme, a total of 59 SMEs had been supported to train over 249 employees in 2019. Additionally, Social Value work around the planning process was now being recognised by contractors and developers who were active in the city. The Authority's 'One Coventry' approach ensured that developments underway in the city employed local people and apprentices, engaged with local communities and schools, utilised the local supply chain, upskilled the local workforce and cared for the environment. As a result, the Council were now actively working with approximately ten contractors who were engaging with Partners across the city.

EDS were currently managing three European Regional Development (ERDF) business Support Programmes valued at £11.9 million in ERDF funding - Coventry & Warwickshire Business Support, Innovation, and Green Business Programmes. All three support programmes were targeted at addressing barriers to growth and innovation within local SMEs and provided an offer of bespoke one-to-one support and seminars/networking opportunities to tackle challenges and opportunities, as well as a total of £4.75 million in business grants up until December 2021. Within the first year of the support programmes, 167 businesses had either received a diagnostic or in-depth support; further, over £4m in grants had been awarded to an additional 157 businesses, generating total investment of £17.1m.

There was a major focus on supporting groups that had traditionally experienced high barriers to enterprise:

- The Chamber had a particular focus on women owned businesses – running a ‘Women in Business Network’ to engage and support women who ran their own businesses across Coventry and Warwickshire.
- The Chamber had worked with the Highlife Centre and Foleshill Women’s Training, as well as undertaking leaflet drops in geographical areas that had a higher percentage of Black, Asian and Minority Ethnic (BAME) communities. This proactive approach had resulted in Start-Up Advisors at the Chamber receiving referrals and supporting more clients from these communities to start-up or grow their business.

The Board questioned officers, received responses, and discussed the following issues:

- The 2 years left on current ERDF programme with proposals to apply for 18-month extension, to June 2023 and to seek £8m ERDF funding.
- Key outcomes expected in extended programme period - support a further 594 businesses, create 538 jobs, save 1658 tons of carbon savings, and generate 13 new IP.
- Following the UK’s departure from Europe – currently working to secure resources from Government to continue to support local SMEs and to support further initiatives in the future.
- Duplex Fund – brings in £2m CCC, £2m County Council, £3.9m grant funding via growth deal and growing places.
- Grant repayments – experienced lenders, robust assessment of borrowing, repayment monitoring.
- University student retention to live and work in the city on completion of degree - support for graduate business start-ups provided through The Princes Trust and Coventry University Enterprises.
- The Chamber of Commerce business start-up fund available for new businesses and the Duplex Fund available for established Small and Medium Enterprises.
- Offer support to former IKEA staff wishing to pursue business start-ups, at the appropriate time.
- The need for data on the retention of students to live and work in the City on completion of their degree and support for graduate business start-ups, including a measure of their success and particularly benchmarking against other cities.
- The need for data on unsuccessful businesses and the reasons for their failure, including what measures the Council has in place to support them and whether there’s more that could be done to help them.
- The benefit of inviting representatives of Coventry University and Warwick University to attend a meeting of the Board to explain what measures they take to encourage student retention to live and work in the City and to support graduate business start-ups.

RESOLVED that the Business, Economy and Enterprise Scrutiny Board (3):

- 1) Supports the Economic Development Service to continue to work closely with organisations such as Coventry and Warwickshire Local Enterprise Partnership, Chamber of Commerce, Federation of Small Businesses and Department of International Trade, to secure sufficient resource to assist local Small and Medium Enterprises.**

- 2) **Agrees that a further report be submitted to the Board providing an update on future funding and data on: the retention of students to live and work in the city on completion of their degrees; graduate business start-ups and a measure of their success, particularly benchmarking against other cities; unsuccessful businesses and the reason for their failure, including what help the Authority gives to support them and whether there were further measures they could take to support them.**
- 3) **Agrees that representatives from Coventry University and Warwick University be invited to attend the meeting of the Board when the further report is submitted, to explain what measures they take to encourage student retention for living and working in the city and the support they offer for graduate business start-ups.**

36. **Coventry and Warwickshire Local Enterprise Partnership**

The Business, Economy and Enterprise Scrutiny Board (3) received a briefing note of the Deputy Chief Executive (Place) that submitted a presentation of the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) Executive, Martin Yardley, Chief Executive, and Paula Deas, Operations Director. The presentation set out the Annual Local Enterprise Partnership Review for 2019, covering the Performance Assessment 2018 and 2019, as well as information about key strategic projects. Councillor J O'Boyle, Cabinet Member for Jobs and Regeneration, attended the meeting for consideration of this item.

The presentation indicated that CWLEP was the fastest growing area economy in England since 2009 it had: a Strong Performing Economy - increase of 33.4% between 2008/09 and 2016/17 and it was the largest exporting area outside London (two thirds West Mids. exports); it had a growing business base – 37,045 businesses in 2018 (29,840 in 2010); In innovation it was a key enabler - Coventry had the 2nd highest patents per head of English cities (113/110k); it had an inward investment track record - 46 Foreign Direct Investment projects in 2018/19, realising 2,965 jobs; on Strategic Leadership and Influence - CWLEP ambition to engage and influence national and regional policy through specific projects or investments and the West Midlands Combined Authority (WMCA) was regarded as exceptional.

Coventry and Warwickshire Headline Economic Performance included: £26 billion up 51.5%% from 2010 to 2018; productivity - £53,359 per job up 28.3% since 2010; employment rate - 76.3% up 5.8% since 2014; average wage - £30,3581 up 12.6% since 2014; qualifications - 38.2% National Vocational Qualification level 4 or higher (degree level); no qualifications - 9% of 16-64 year olds have no qualifications, this had fallen at a rate of 21.7% since 2014.

CWLEP Annual Performance Assessment 2018 and 2019 indicated that: it was the fastest growing LEP area since 2010 and was placed as one of the top 3 performing LEPs across whole country achieved through hard work of the LEP Board Directors and Business Groups; over £300m had been secured into the area over the last 7 years adding strategic value to deliver stronger more ambitious plans; it had a reputation and track record for delivery on high profile and complex projects; and it had strong governance and committed CWLEP

Executive team underpinning the operation of the CWLEP Board, CWLEP Growth Hub and CWLEP Place Board.

The Scrutiny Board noted that through the local growth fund allocation to the CWLEP:

- £131.8m growth deal funding had been secured – expected over the next 5 years to create 7,500 jobs, 3,400 new homes, and £240m for investment
- £67.9m had been secured and allocated for Coventry – expected by 2021 to create 1,352 new jobs and apprenticeships, 10,187 indirect jobs, 2,946 new homes; 1,045metres of new skill space, £6.8m for private investment, and 944,672metres of commercial space.
- Very Light Rail - £2.46m growth deal funding secured for very light rail.
- WMG Apprenticeship Centre - £10m secured towards the newly opened Centre for tailored training courses in line with the needs of local employers and for addressing the regional skills shortage
- National Transport design centre - £6.9m secured towards the Centre which has raised the City's worldwide profile in the automotive design industry by leading globally significant research and projects
- The Box at Fargo Village - £2.4m secured towards enhancing the experience of visitors during the UK City of Culture 2021

The LEP's key strategic projects were identified as:

- Coventry City of Culture
- Very Light Rail
- UK Battery Industrialisation Centre
- Commonwealth Games 2022
- China New Markets
- 5G and Creative and Digital

The next steps for the LEP were:

- White paper on Devolution expected – what would it bring in terms of powers and funding
- Levelling up
- Budget vs Spending Review – tactical and strategic
- Executing Local Industrial Strategy priorities for Coventry in context of a WMCA and Midlands Engine environment
- Securing Future funding and security post Brexit – was there a UK shared prosperity fund, if so, how would it be administered
- Continued focus on meeting requirements of LEP review as well as delivery in the final year of Local Growth fund
- Increasing an already strong role in strategic projects including City of Culture, Gigafactory, and Commonwealth Games

The Board questioned officers, received responses, and discussed the following issues:

- North-South divide – recognising regional differences in the North and south and working to minimise the divide
- Rail – LEP investment in rail schemes at Kenilworth Rail Station, £7m investment in Nuneaton to London and the biggest investment of £27m in the Coventry Rail Station project.

- Economic development along the A46 corridor – feasibility study carried out and development proposals being submitted for Government for assessment of infrastructure.
- Partnership working – Coventry has good reputation for working with partners and should be promoted for this.
- Funding formulas – strict criteria, complex process, thorough assessment.
- Common Wealth Games Organisation – the Committee have requested that all Local Enterprise Partnerships contribute to the funding of the Games. In fulfilling this obligation, Coventry LEP has set some specific requirements to ensure value for money and positive outcomes for Coventry from the investment.
- Elected Member representation on the LEP – Elected Members representing the 7 Local Authorities on the LEP work cohesively and have good working relationship to gain the best outcomes for the region. Attendance at all meetings of the Board and in all decision making is good.
- LEP Transport Lead – vacant role on Structure chart to be filled as soon as possible. Transport is essential and to the future progress of the region.
- Future funding - a further report to be submitted to the Board providing an update on future funding, following the UK's departure from Europe.

In acknowledging Martin Yardley's, Deputy Chief Executive (Place), retirement from the City Council in March 2020, the Board thanked Martin for his service with the Authority and his work as Chief Executive of the LEP, they wished him well for the future and asked that their thanks and good wishes be conveyed to him.

RESOLVED that, having considered the content of the presentation, the Business, Economy and Enterprise Scrutiny Board (3):

- 1) Notes the annual review of the work of Coventry and Warwickshire Local Enterprise Partnership, covering the Performance Assessment for 2018 and 2019 and information about key strategic projects.**
- 2) Requests that a further report be submitted to the Board providing an update on future funding, following the UK's departure from Europe.**

37. Intelligent Transport Systems (ITS) World Congress 2019 Conference Report

The Business, Economy and Enterprise Scrutiny Board (3) considered a report of the Deputy Chief Executive (Place) that provided details of Coventry City Council exhibiting at the Intelligent Transport Systems (ITS) World Congress 2019 in Singapore. Councillor J O'Boyle, Cabinet Member for Jobs and Regeneration, attended the meeting for consideration of this item.

ITS World Congress was the world's foremost trade show for Intelligent Transport Systems, Connected Autonomous Vehicles (CAV) and Future Mobility, all of which were strategically placed and at the forefront of Economic Development for Coventry, Warwickshire and the wider West Midlands. The Congress presented an opportunity for Coventry and Warwickshire to exhibit on the UK pavilion, along with universities and supporting agencies to exhibit at the Congress in Singapore, collaboratively with Coventry University promoting Coventry's existing skills, services and assets within this industry to a new international market reaching a worldwide audience.

The reasons and benefits for the trip were stated as:

- An opportunity to promote C&W's capabilities and desirable location to live, work and invest at an exhibition with global presence from companies from around the world.
- Put Coventry on the map, whilst highlighting key sectors, businesses, services and our world-renowned universities.
- Opportunity to meet/visit other international pavilions, academia and industry from other countries to discuss autonomous vehicles and future technologies, challenges and achievements, potentially generating new connections and FDI projects for our pipeline.
- Gather intelligence, meet relevant contacts and build relationships with key partners and organisations to support any potential bids to bring the ITS World Congress to the UK.
- Opportunity to meet global leaders and decision makers

The visit had:

- Strengthened and established new working relationships with Singapore and Coventry through networking and dialogue with Enterprise Singapore, Foreign & Commonwealth Office, Department for International Trade and Intelligent Transport Systems UK.
- Provided access to key players in supporting future visits and inward investment and trade opportunities.
- Offered valuable access to companies and decision makers within Singapore Government for future trade and investment opportunities/enquiries including contact made through Coventry University with Singapore Land Transport Authority Deputy Director (Innovation).
- Introduced Coventry to a new global international audience promoting our strategic goals.
- Exposed and put C&W on the map as a key investment destination.
- Provided a clear insight into how companies from varying countries showcase their technologies and innovation through stand designs and equipment to facilitate and generate investment promotion.
- Invaluable lessons learnt in terms of organising and hosting any future events.
- Provided direct outcomes and also indirect outcomes, alongside key engagements, successes and potential future outcomes across C&W which could be attributed to the increased promotion and presence within the international arena.

The Board thanked the officer for a comprehensive report and its positive outcomes and future proposals. They noted that arrangements had already been made for the hosting of the Congress at venues across the world each year until 2023 and that the Council aspired to host the event at the National Exhibition Centre in 2024. The Board gave their support for the bid for this proposal.

RESOLVED that the Business, Economy and Enterprise Scrutiny Board (3) endorses the report and confirms its continued support of the work being undertaken by the Economic Development Service to enhance Coventry's international profile, encourage Foreign Direct Investment, and support a potential bid to bring the ITS World Congress to the West Midlands.

38. **Outstanding Issues**

There were no outstanding issues.

39. **Work Programme 2019/2020**

The Business, Economy and Enterprise Scrutiny Board (3) considered the Work Programme for current municipal year and noted the scheduling of issues for consideration at future meetings of the Board.

RESOLVED that the Business, Economy and Enterprise Scrutiny Board (3) notes the Work Programme for 2019/2020 and agrees that the following be added to the Work Programme for future meetings of the Board:

- 1) **Support for Small Businesses – a further report providing an update on future funding and data on student retention and graduate business start-ups. (minute 35 above refers)**
- 2) **Coventry and Warwickshire Local Enterprise Partnership – a further report providing an update on future funding, following the UK's departure from Europe. (minute 36 above refers)**

40. **Any other items of public business which the Chair decides to take as matters of urgency because of the special circumstances involved**

There were no other items of public business.

Note: The Cabinet Member for Jobs and Regeneration referred to the announcement that the Coventry IKEA Store would be closing in Summer 2020. He confirmed that the Council's priority was to support the company and its employees whilst it progressed with the closure. Although IKEA would need to implement their company redundancy process, the Authority would ensure that the Job Shop gave support to employees at the appropriate time.

He gave a clear direction that the future of the premises, which was not a consideration at this stage, would not include its use for student accommodation.

(Meeting closed at 4.15 pm)